



## The Manufacturing Council

May 23, 2012

The Honorable John E. Bryson  
U.S. Department of Commerce  
Washington, DC 20230

Dear Mr. Secretary,

As members of the Manufacturing Council, we are pleased to offer you our views on the Trans-Pacific Partnership (TPP) negotiations. We believe these negotiations offer U.S. manufacturers a prime opportunity to expand exports to this vital region and to boost U.S. manufacturing jobs and output. We applaud the President's initiative to strengthen our commercial and trading ties to the growing Asia-Pacific region.

A successful TPP agreement will not only help to open markets to U.S. manufacturers among TPP partner countries but will also set a template for future manufacturing export gains in that dynamic part of the world. The Asia-Pacific region is the fastest growing region in the world and accounted for nearly \$800 billion in U.S. goods exports in 2010. Through these negotiations, we can ensure that our manufacturers have access to this region under fair and competitive terms of trade. We look forward to working with you to ensure that the TPP negotiations come to a successful conclusion.

We would like to highlight some particular areas that are of significant importance to U.S. manufacturers and the Manufacturing Council. A final TPP agreement should:

- Ensure that state-owned enterprises compete fairly with private companies and do not distort competition in ways that put U.S. companies and workers at a disadvantage;
- Include textile rules that follow precedents established in past free trade agreements, including a comprehensive "yarn forward" rule, fair market access schedules and strong customs enforcement and resources;
- Contain strong provisions related to the protection of intellectual property rights of agreement participants, including timely access to local judicial processes, and ensure that WTO Trade Related Aspects of Intellectual Property (TRIPS) obligations are fully implemented and enforced;

- Ensure that conformity assessment procedures provide the greatest degree of compliance at the lowest level of government intervention and that redundant and/or unnecessary testing and certification requirements should be avoided;
- Ensure that regulatory provisions are implemented with full transparency and provide for a meaningful opportunity to comment;
- Obligate signatories not to impose restrictions on the import and commercial sale of products containing cryptographic capabilities and ensure that regulations do not mandate transfer or access proprietary knowledge, a requirement to partner with a domestic entity, or the use of a particular technology or standard that is not based on a relevant international standard;
- Obligate signatories not to impose restrictions and tariffs on the import and commercial sale of products containing manufactured/refined foods and manufactured/refined agricultural products;
- Be inclusive of Canada, Japan and Mexico so long as provisions of the agreement already agreed to by the founding parties are not reopened by new entrants;
- Have strict enforcement provisions writing into any and all agreements and ensure that the International Trade Administration and the Office of the United States Trade Representative have sufficient resources and funding to keep up with trade complaints and enforcements;
- Engage small and medium-size manufacturers by continuing outreach and maintaining funding for Department of Commerce assistance for U.S. exporters;
- Consider a visa waiver program for businesses in TPP countries to enable stronger partnerships;
- Seek to expand trade in computer and related services, keeping in mind that IT services rapidly evolve with advances in technology, including, for example, Web-based IT services and “cloud” computing, which is already covered, in part, by the WTO GATS Agreement; and
- Prevent the requirement to locate servers or data in country as a condition for market access, as this undermines the very definition of cross-border services. The TPP should provide broad market access for both basic and value-added telecom services. Moreover, the agreement should aim to minimize barriers, such as steep capitalization requirements.

We strongly support the ongoing efforts continuing to further the Trans-Pacific Partnership. We need to reach a final agreement that helps U.S. manufacturing and enables easier trade and exporting. By lowering international barriers, enforcing trade policies and continuing funding for

trade resources and enforcement, the U.S. manufacturing industry can continue to grow, create high paying jobs, and flourish.

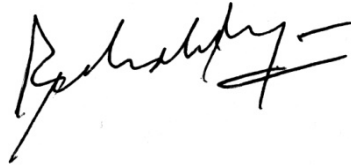
Respectfully submitted,



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Chairman & CEO, TAG Holdings, LLC  
Chair, Manufacturing Council



Jason Speer  
Quality Float Works, Inc.  
Chair, Export-Import Subcommittee



Rich Beyer  
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Vice-Chair, Export-Import Subcommittee